

DAVID A. HUBBERT
Acting Assistant Attorney General

CASEY S. SMITH
Connecticut Bar #: 436378
Trial Attorney, Tax Division
U.S. Department of Justice
P.O. Box 7238
Washington, D.C. 20044
202-307-0715 (v)
202-514-6770 (f)
Casey.S.Smith@usdoj.gov

Attorney for the United States

UNITED STATES DISTRICT COURT
DISTRICT OF MONTANA

UNITED STATES OF AMERICA,)	
)	Case No.
Petitioner,)	
)	PETITION TO ENFORCE IRS
v.)	SUMMONS
)	
JOSHUA KENNY-GREENWOOD,)	
)	
Respondent.)	
_____)	

PETITIONER United States of America, by and through undersigned counsel, for its petition against Respondent Joshua Kenny-Greenwood states as follows.

1. This proceeding is brought pursuant to 26 U.S.C. §§ 7402(b) and 7604(a) to judicially enforce an administrative summons issued by the IRS to

Respondent Joshua Kenny-Greenwood that seeks testimony and production of certain books, papers, records, and other data as identified in the summons.

2. The Court has subject matter jurisdiction pursuant to 26 U.S.C. §§ 7402(b) and 7604(a), and 28 U.S.C. §§ 1340 and 1345.

3. Venue is properly in this district pursuant to 26 U.S.C. § 7604(a) and 28 U.S.C. §§ 1391(b) and 1396, because the summoned party resides and is found in this judicial district, and a substantial part of the events or omissions giving rise to the claims in this case occurred in this district.

4. Petitioner is the United States of America

5. Respondent Joshua Kenny-Greenwood resides in Victor, Montana, within the jurisdiction of this Court.

6. William T. Young is a duly commissioned Revenue Agent employed in the Small Business/Self-Employed Compliance Division of the IRS. His post of duty is in the IRS office in Seattle, Washington. Revenue Agent Young is authorized to issue IRS summonses under 26 U.S.C. § 7602, and 26 C.F.R. § 301.7602-1. (*See* Declaration of Revenue Agent William T. Young (“Young Decl.”) ¶ 1–2.)

7. Aspen Cruise is a Revenue Officer employed in the Collection Division of the IRS. Her post of duty is in the IRS office in Missoula, Montana. Revenue Officer Cruise is authorized to serve IRS summonses under 26 U.S.C. §§

7602 & 7603 and 26 C.F.R. §§ 301.7602-1 & 301.7603-1. (*See* Declaration of Revenue Officer Aspen Cruise (“Cruise Decl.”) ¶¶ 1–2.)

8. Revenue Agent Young is assigned to the IRS’s investigation of whether Joshua Kenny-Greenwood engaged in conduct that is subject to penalty under 26 U.S.C. §§ 6700 and 6701. (Young Decl. ¶ 3.) The IRS is investigating: (i) whether Joshua Kenny-Greenwood organizes or promotes abusive tax shelters through various entities, including but not limited to “The Empowerment Center” and “www.churchfreedom.org”; and/or (ii) whether Joshua Kenny-Greenwood aids or abets the understatement of another person’s tax liability. (*Id.*)

9. The IRS is examining Joshua Kenny-Greenwood’s conduct because any person who organizes or assists in organizing any entity, plan, or arrangement and, in connection therewith, makes or furnishes a statement with respect to the excludability of any income that the person knows or has reason to know is false or fraudulent as to any material matter, is subject to a penalty. 26 U.S.C. § 6700. (Young Decl. ¶ 4.) In addition, any person who aids, assists, or advises with respect to the preparation or presentation of any portion of a return or other document, knowing or having reason to believe that such advice will be used in connection with any material matter arising under the internal revenue laws, and who knows that such portion, if used, would result in an understatement of tax is subject to penalty. 26 U.S.C. § 6701. (Young Decl. ¶ 4.)

10. The IRS seeks to determine whether Joshua Kenny-Greenwood may have violated 26 U.S.C. §§ 6700 or 6701 by promoting an abusive tax shelter through his business entities, “The Empowerment Center” and “www.churchfreedom.org,” to assist clients in exploiting state laws involving “corporation sole” arrangements. (Young Decl. ¶ 5.) During the course of its investigation, the IRS learned that Joshua Kenny-Greenwood establishes, creates, and incorporates corporation sole arrangements for his clients. (*Id.*) The IRS also learned that Joshua Kenny-Greenwood advises clients that these entities are tax-exempt and that his clients should transfer their assets to the new entities to avoid paying federal income taxes. (*Id.*) Through his website, Joshua Kenny-Greenwood solicits payments that he categorizes as “covenants” or “donations” for creating these entities. (*Id.*) He also conducts seminars on his website to promote his services to clients across the country. (*Id.*)

11. In furtherance of the IRS’s investigation described above, and in accordance with 26 U.S.C. § 7602, Revenue Agent Young issued an IRS summons dated July 18, 2017, to Joshua Kenny-Greenwood requesting that he appear before the IRS on August 1, 2017, at 9:00 a.m., to testify and produce for examination certain books, records, papers, and other data for all of Joshua Kenny-Greenwood’s business activities, including but not limited to “The Empowerment Center” and “www.churchfreedom.org,” as described in the summons. (Young

Decl. ¶ 6.) In general, the summons seeks various categories of documents, including accounting records, bank records, client lists, promotional material, clients' corporate formation and managerial documents, transfers of property, agreements, personal tax returns, and all other documents for any entity involved in a corporation sole arrangement. (*Id.*) A true and correct copy of the summons issued to Joshua Kenny-Greenwood dated July 18, 2017, is attached as Exhibit A to IRS Revenue Agent Young's declaration.

12. In accordance with 26 U.S.C. § 7603(a), on July 18, 2017, IRS Revenue Officer Cruise served an attested copy of the summons on Joshua Kenny-Greenwood by leaving it at his last and usual place of abode as set forth in the "Service of Summons, Notice and Recordkeeper Certificates" included on page 2 of Exhibit A. (*See* Cruise Decl. ¶ 3; Young Decl. ¶ 7; Ex. A, at 2.)

13. On July 18, 2017, Revenue Agent Young also sent two copies of the summons described above in paragraph 11 to Joshua Kenny-Greenwood by certified mail and regular mail. (Young Decl. ¶ 8.)

14. On August 1, 2017, in response to the summons described above in paragraph 11, Joshua Kenny-Greenwood appeared at the IRS office in Missoula, Montana. (Young Decl. ¶ 9.) Joshua Kenny-Greenwood did not produce any documents in response to the summons. (*Id.*) After responding to a few preliminary questions, such as providing his date of birth, his education level, and

his criminal history, Joshua Kenny-Greenwood read a prepared statement and then declined to answer further questions. (*Id.*) Joshua Kenny-Greenwood subsequently left the room, concluding the interview. (*Id.*) To date, Joshua Kenny-Greenwood has not given any other testimony or produced any documents in response to the summons described above in paragraph 11. (*Id.*)

15. The IRS summons described above in paragraph 11 seeks relevant information that may shed light on whether Joshua Kenny-Greenwood is subject to penalties under 26 U.S.C. §§ 6700 and 6701. (Young Decl. ¶ 10.) Specifically, the summoned documents and information would, among other things, assist in determining: (i) the identity and number of clients who bought or participated in the corporation sole tax shelter; (ii) the organization and structure of the entities through which Joshua Kenny-Greenwood promotes and sells corporation sole arrangements; (iii) any false or gross overvaluation statements Joshua Kenny-Greenwood made in connection with the corporation sole arrangements in violation of 26 U.S.C. § 6700; (iv) whether Joshua Kenny-Greenwood otherwise advised or assisted clients in violating the internal revenue laws in violation of 26 U.S.C. § 6701; and (v) the “gross income derived” for purposes of calculating penalties under 26 U.S.C. § 6700. (*Id.*)

16. The IRS has obtained from other sources some bank records and PayPal account records for Joshua Kenny-Greenwood and “The Empowerment

Center.” (Young Decl. ¶ 11.) The IRS also obtained publicly available copies of a book, videos, and audio recordings from Joshua Kenny-Greenwood’s website, “www.churchfreedom.org.” (*Id.*) To the extent the documents responsive to the summons described above in paragraph 11 include financial records previously produced to the IRS or promotional materials available to the public and already in possession of the IRS, it is still necessary for the IRS to request and obtain all documents for Joshua Kenny-Greenwood’s business entities, including but not limited to “The Empowerment Center” and “www.churchfreedom.org,” as described in the summons so that the IRS may be certain it has complete and accurate copies of all financial records and materials used in the promotion of the corporation sole tax shelter. (*Id.*)

17. Except as set forth in paragraph 16 above, the IRS is not already in possession of the records or testimony sought by the summons described above in paragraph 11. (Young Decl. ¶ 12.)

18. Joshua Kenny-Greenwood has not complied with the IRS summons described above in paragraph 11. (Young Decl. ¶ 13.) In response to the IRS summons, Joshua Kenny-Greenwood failed to produce any books, papers, records, and other data and failed to provide any meaningful testimony. (*Id.*)

19. There is no “Justice Department referral,” as defined by 26 U.S.C. § 7602(d), in effect with respect to Joshua Kenny-Greenwood. (Young Decl. ¶ 14.)

Specifically, no recommendation has been made by the IRS to the Department of Justice for a grand jury investigation or criminal prosecution of Joshua Kenny-Greenwood. (*Id.*) Additionally, no request has been made under 26 U.S.C. § 6103(h)(B)(3) for the disclosure of any return or return information in connection with a grand jury investigation or potential or pending criminal investigation of the taxpayer. (*Id.*) See 26 C.F.R. § 301.7602-1(c)(2)(ii).

20. All administrative steps required by the Internal Revenue Code for issuance of a summons have been taken and followed. (Young Decl. ¶ 15.)

WHEREFORE, the United States seeks the following relief from the Court and against Respondent Joshua Kenny-Greenwood:

A. That the Court issue an order directing that Respondent Joshua Kenny-Greenwood show cause, if any, why he should not comply and obey the aforementioned summons issued to him and each and every requirement thereof;

B. That the Court direct the U.S. Marshals Service pursuant to Fed. R. Civ. P. 4.1 to serve the order to show cause, together with the Petition to Enforce IRS Summons, the Declaration of IRS Revenue Agent William Young and Exhibit A attached thereto, the Declaration of IRS Revenue Officer Aspen Cruise, and the Brief in Support of the United States' Petition to Enforce IRS Summons, on the Respondent, Joshua Kenny-Greenwood, in any manner of service described in Fed. R. Civ. P. 4(e);

C. That the Court enter a separate enforcement order directing the Respondent, Joshua Kenny-Greenwood, to obey the aforementioned summons and each and every requirement thereof by ordering his testimony and production of the books, papers, records, and other data as is required and called for by the terms of the summons at such time and place as may be fixed by IRS Revenue Agent Young or any other proper officer or employee of the Internal Revenue Service;

D. That the Court award the United States its costs incurred in maintaining this action; and

E. That the Court grant the United States such other relief as it deems just and proper.

Dated: November 15, 2017

Respectfully submitted,

DAVID A. HUBBERT
Acting Assistant Attorney General

/s/ Casey S. Smith
CASEY S. SMITH
Connecticut Bar #: 436378
Trial Attorney, Tax Division
U.S. Department of Justice
P.O. Box 7238
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Casey.S.Smith@usdoj.gov

Of Counsel:

KURT G. ALME
United States Attorney